

# Al-Abbas Sugar Mills Ltd.

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## Cost Auditors' Report

*For the year ended September 30, 2015*

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### **SIDDIQI & COMPANY** *Cost & Management Accountants*

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# COST AUDITORS' REPORT 2014-2015 AL-ABBAS SUGAR MILLS LIMITED

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## **01. Corporate Information**

### ***Board of Directors***

#### ***Chairman***

*Muhammad Iqbal Usman*

#### ***Chief Executive***

*Shunaid Qureshi*

#### ***Executive Director***

*Asim Ghani*

#### ***Directors***

*Ali Jehangir Siddiqui*

*Asma Aves Cochinwala*

*Darakshan Ghani*

*Duraid Qureshi*

*Sayyed Rafay Akber Rashdi*

*Suleman Lalani*

### ***Company Secretary and Chief Financial Officer***

*Zuhair Abbas*

#### ***Statutory Auditors***

*Haroon Zakaria & Co.*

*Chartered Accountants*

#### ***Cost Auditors***

**SIDDIQI & COMPANY**

*Cost & Management Accountants*

#### ***Audit Committee***

*Sayyed Rafay Akber Rashdi – Chairman*

*Darakshan Ghani – Member*

*Duraid Qureshi – Member*

*Tariq Iqbal – Secretary*

#### ***Registered Office***

*2nd Floor, Pardesi House, Survey No. 2/1, R.Y. 16,*

*Old Queens Road, Karachi-74000.*

#### ***Sugar Factory***

*Mirwah Gorchani, Distt. Mirpurkhas, Sindh*

## 02. The Company & Manufacturing Process

### 1) The Company:

The company was incorporated in Pakistan on 02 May, 1991 as Public Limited Company under the Companies Ordinance, 1984. Its shares are quoted on Karachi Stock Exchange. The principal activities of the company under following business segments / divisions comprise of:

S.#	Divisions	Principal Activities
1)	Sugar	: Manufacturing and sale of sugar
2)	Ethanol	: Processing and sale of industrial ethanol
3)	Chemical and alloys and Power	: Manufacturing and sales of calcium carbide and ferro alloys. Generation and sales of electricity.
4)	Tank Terminal	: Providing bulk storage facility

### 2) Capacity:

Installed sugar cane crushing capacity is 7,500 MT per day.

### 3) Production Process:

The process consists of the following departments:-

- i) Sugar Cane Procurement
- ii) Cane Cutting and Shredding
- iii) Milling (Juice Extraction)
- iv) Purification (Addition of Lime, Sulphur, Phosphoric Acid)
- v) Clarification
- vi) Multiple Effect Evaporation
- vii) Crystallization
- viii) Centrifuge
- ix) Drying on Hoppers
- x) Packing (Polypropylene bags of 50 Kg each are used in packing)

### 4) Clarification Process:

Defecation, Melt and Phosphitation.

### 5) Registered Office:

At 2nd Floor, Pardesi House, Survey No. 2/1, R.Y. 16, Old Queens Road, Karachi.

### 6) Factories / Storage Locations:

The company's location of undertakings are as under:

- |    |                               |   |   |
|----|-------------------------------|---|---|
| 1) | Sugar / Ethanol               | : | Mirwah Gorchani, Distt. Mirpurkhas, Sindh.      |
| 2) | Chemical and Alloys and Power | : | Main National Highway, Dhabeji, Sindh.          |
| 3) | Tank Terminal                 | : | Oil Installation Area, Kermari, Karachi, Sindh. |

# Cost Auditors' Report

## Section - 2

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Statement of Capacity Utilization

Statement of Stock-in-Trade

## **COST AUDITORS' REPORT**

We, **SIDDIQI & COMPANY, Cost & Management Accountants** having been appointed to conduct an audit of cost accounts of **AL-ABBAS SUGAR MILLS LIMITED**, have examined the books of account and the statements prescribed under clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984 and the other relevant record for the year ended September 30, 2015, and report that-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this audit.
2. In our opinion:
  - (a) proper cost accounting records as required by clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984 (XLVII of 1984), and as required by these rules, have been kept by the company;
  - (b) proper returns, statements and schedules for the purpose of audit of cost accounts relating to branches were not required as the Company has no branches in or outside Pakistan;
  - (c) the said books and records give the information required by the rules in the manner so required; and
3. in our opinion and, subject to best of our information-
  - (a) The annexed statement of capacity utilization and stock-in-trade are in agreement with the books of account of the company and exhibit true and fair view of the Company's affairs; and
  - (b) Cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing and marketing of the under mentioned products of the company, namely,
    - (i) Main Product:
      - White Sugar
    - (ii) By Products:
      - Molasses
      - Bagasse
    - (iii) Other activities:
      - Ethanol
      - Chemical and alloys and Power
      - Tank Terminal

However, the products other than sugar are not subject to cost audit.

The matters contained in the ANNEXED Forms are part of this report.

**SIDDIQI & COMPANY**  
*Cost & Management Accountants*

Karachi:

**1. CAPACITY - (Sugar Segment)**

(a) The licensed / installed cane crushing capacity and its utilization is given as follows:

	<b>2015</b>	<b>2014</b>
	<b>Tonne</b>	
– Licensed / installed capacity (Year 2015: Duration of season 106 days x 7,500 tonne per day) (Year 2014: Duration of season 124 days x 7,500 tonne per day)	795,000	930,000
– Capacity utilized	564,555	621,679
– Percentage of capacity utilized	71%	67%

(b) The principal activities of the company under following business segments / divisions comprise of:

S.#	Division / Segment	Principal Activities
1)	Sugar	Manufacturing and sale of sugar.
2)	Ethanol	Processing and sale of industrial ethanol.
3)	Chemical and alloys and Power	Manufacturing and sale of calcium carbide and ferro alloys. Generation and sale of Electricity.
4)	Tank Terminal	Providing bulk storage facility.

**2. COST ACCOUNTING SYSTEM**

– The actual cost incurred by the company is charged to various cost centers / units on actual basis and the cost of service department is allocated on the basis considered appropriate. The net realizable value of molasses transferred to distillery unit and bagasse consumed in boiler house or sold is deducted from the cost of sugar manufactured as a reduction in overall cost of production.

The cost accounting system of the company is adequate and endless to determine correctly the cost of sugar produce.

**3. PRODUCTION - (Sugar Segment)**

*Qty. in Tonne*

	Installed Capacity		Production		% of Installed	
	Y E A R S					
	2015	2014	2015	2014	2015	2014
(a) – <b>Main Product:</b>						
– White Sugar Bagged	79,500	93,000	60,534	63,650	76	68
– <b>By Product:</b>						
– Molasses	39,750	46,500	25,574	28,660	64	62
– Bagasse	254,400	297,600	178,055	196,911	70	66
– V. Filter Cake	23,850	27,900	16,937	18,650	71	67

**Standard Recovery:** (Molasses @ 5%, Bagasse @ 32% and V.Filter Cake @ 3%)

(b) The main reason for under-utilisation of capacity was the non-availability of sugar cane in sufficient quantity.

(c) There is no addition to the production capacity during the year under review or in the last two years.

#### 4. RAW MATERIAL - (Sugar Segment)

##### (a) Major Raw Materials Consumed

	2015		2014		2013	
	Quantity (Tonne)	Rupees in '000	Quantity (Tonne)	Rupees in '000	Quantity (Tonne)	Rupees in '000
Cost of Sugarcane (See Annexure - III)	564,555	2,454,804	621,679	2,787,166	503,179	2,404,163
Process Material (See Annexure - V)	-	24,186	-	25,326	-	14,699

##### (b) Major Raw Materials consumption per unit of production compared with standard requirements.

Standard Tonne	Sugar			% Increase / (Decrease) as compared to Standard		
	2015 Tonne	2014 Tonne	2013 Tonne	2015	2014	2013

- Sugar Cane	10.00	9.33	9.77	9.54	(6.74)	(2.33)	(4.57)
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Standard: 10.00 tonne sugar cane = 1 tonne sugar

Year 2014: 9.77 tonne sugar cane =1 tonne sugar

Year 2013: 9.54 tonne sugar cane =1 tonne sugar

##### (c) Explanation of Variances

- Sugar cane yield depends upon the quality of sugar cane; and the quality varies with the periods / days of maturity of the crop. Low yield of sugar cane and low recovery of sucrose from sugar cane in upper sindh is due to climatic conditions.

##### (d) Method of Accounting

- Sugar cane is purchased from local growers on the basic price fixed by Government / negotiated price and it is crushed immediately to extract the juice by processing. Other chemicals are purchased from the market.
- The company prepares a purchase indent after weighing the quantities of sugarcane received which are instantly recorded in Cane Purchase Receipts (CPRs). These CPRs constitute the record of sugarcane based for computation of cost of sugarcane consumed. The quantities of sugarcane received are issued to production floor.

## 5. SALARIES, WAGES & BENEFITS - (Sugar Segment)

### (a) Total salaries, wages and benefits paid for all categories of employees

				Increase / (Decrease)			
	2015	2014	2013	As compared to 2014		As compared to 2013	
	Rs. in '000	Rs. in '000	Rs. in '000	Rs. in '000	%	Rs. in '000	%
(i) Direct labour cost on production	163,162	148,554	132,231	14,608	10	30,931	23
(ii) Indirect labour cost on production	29,257	25,567	23,134	3,690	14	6,123	26
(iii) Employees' cost on administration	32,637	28,767	31,476	3,870	13	1,161	4
(iv) Employees' cost on selling and distribution	-	-	-	-	-	-	-
(v) Total employees cost ( i to iv )	225,056	202,888	186,841	22,168	11	38,215	20
(vi) Bonus to workers and employees <i>(Already included in above total salaries &amp; wages)</i>	22,025	22,023	17,896	2	0	4,129	23
(vii) Other employees cost	-	-	-	-	-	-	-

- There was increase in total salaries & wages due to annual increments as compared to last two year.

Rupees in '000

### (b) Salaries and perquisites of chief executive and directors

Remuneration  
Perquisites  
Total Rupees – 2015  
Total Rupees – 2014  
Number of Persons – 2015  
Number of Persons – 2014

Chief Executive	Directors	Total
9,818	5,455	15,273
5,083	1,586	6,669
14,901	7,041	21,942
15,625	7,272	22,897
1	1	2
1	1	2

- In addition to the above perquisites, the Chief Executive and a Director are provided with free use of company's maintained cars for business and personal use.

### (c) Total men-days of direct labour

	Worked	Available	% Worked
766 men x 92 days (worked)	70,472	81,196	87
766 men x 106 days (available)			

### (d) Average number of production workers employed

2015	2014	% Increase/(Decrease)
766	763	0%

### (e) Direct labour cost per ton

				Increase / (Decrease)			
	2015	2014	2013	As compared to 2014		As compared to 2013	
					%		%
Sugar (Tonne)	60,534	63,650	52,727	(3,116)	(5)	7,807	15
Direct Labour (Rs. in '000)	163,162	148,554	132,231	14,608	10	30,931	23
Direct Labour Cost (Rs. per Tonne)	2,695	2,334	2,508	361	15	188	7

### (f) Brief explanations for variances

- Per tonne direct labour cost increased due to annual increments as compared to last two years.

### (g) Comments on Incentives Scheme

- It is the policy of the company to pay bonus on every production of 10,000 M.Tonne.
- The company operates an approved funded gratuity scheme for all its employees who have completed the qualifying period under the scheme.

**6. STORES AND SPARE PARTS - (Sugar Segment)****(a) The expenditure per unit of output on stores, etc.****Production (Tonne)**

60,534		63,650	
2015		2014	
Rs.in '000	Per Ton	Rs. in '000	Per Ton
74,900	1,237	66,225	1,040

Stores and spares parts consumed

- Average per tonne cost of stores & spares increased due to inflationary trend in prices of stores items.

**(b) System of stores accounting**

- The company operates an ERP Oracle Financials for receipts and issuance of stores and spares items. All receipts are being recorded through stores receipt report (SRR), which is being prepared only after acceptance of stores items through material inspection report (MIR) by the department initiating purchase of that item. Whereas all stores issues are being recorded on duly approved store issue receipt (SIR) and charged to respective departments in accordance with the accounting policy i.e. moving average cost. Almost all purchases except in case of emergency or minor items are being carried out by the head office on receipt of store purchase requisition (SPR) duly signed by authorized officer of concerned department. All inventory items are being valued at lower of moving average cost and the same is being adopted consistently. Thus the company is maintaining proper record for receipt and issuance of stores items and valuation of stores items.

**(c) Proportion of closing inventory of stores representing items which have not moved for over 24 months.**

- The provision for slow moving items and obsolescence of inventory is made for Rs. 29.938 million (Year 2014: 22.805 million) which is equivalent to 18% (Year 2014: 14%) of total stores & spares.

**7. DEPRECIATION - (Sugar Segment)****(a) Method of depreciation**

- These are stated at cost less accumulated depreciation and impairment losses, if any, except for land, which is stated at cost. Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the company. Assets residual value and useful lives are reviewed and adjusted appropriately at each financial year end. Depreciation on addition is charged from the month in which the assets are put to use while no depreciation is charged in the month of which the assets are disposed off. No amortization is provided on leasehold land since the leases are renewable at the option of the lessee at nominal cost and their realizable values are expected to be higher than respective carrying values.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the financial year in which they are incurred.

Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal. Gains or losses on disposals, if any, are included in profit and loss account.

**(b) Basis of allocation of depreciation on common assets to the different departments.**

- Depreciation on sugar segment assets is allocated as under:

	2015 Rs.in '000	2014 Rs.in '000
(i) Cost of Sales	42,239	44,991
(ii) Admin. & General	4,688	5,338
Total	46,927	50,329

**(c) Basis of charging depreciation to cost of products**

- The depreciation is allocated to cost of production on the value of assets employed.

**8. OVERHEADS - (Sugar Segment)****(a) Total amounts of the overheads**

	2015	2014	2013
	Rs.in '000	Rs.in '000	Rs.in '000
(i) Factory	32,579	33,524	31,130
(ii) Administration	65,671	70,432	70,053
(iii) Selling & distribution	10,803	38,077	10,997
(iv) Financial	65,894	125,711	138,840
	<u>174,947</u>	<u>267,744</u>	<u>251,020</u>

(i) Factory Overheads				% Increase / (Decrease)			
	2015	2014	2013	As compared to 2014		As compared to 2013	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Printing & stationery	177	119	142	58	49	35	25
Communication charges	658	477	349	181	38	309	89
Insurance expenses	9,919	8,986	7,580	933	10	2,339	31
Travelling & conveyance	624	3,228	3,245	(2,604)	(81)	(2,621)	(81)
Fees and Subscriptions	452	430	1,056	22	5	(604)	(57)
Entertainment	4,121	4,274	3,593	(153)	(4)	528	15
Vehicle running expenses	5,908	5,308	5,534	600	11	374	7
Security charges	9,127	9,163	7,908	(36)	(0)	1,219	15
Newspaper and periodicals	55	59	34	(4)	(7)	21	62
Miscellaneous expenses	1,538	1,480	1,689	58	4	(151)	(9)
	<u>32,579</u>	<u>33,524</u>	<u>31,130</u>	<u>(945)</u>	<u>(3)</u>	<u>1,449</u>	<u>5</u>

– There was no significant variance in factory overheads as compared to last two years.

(ii) Administration Overheads				% Increase / (Decrease)			
	2015	2014	2013	As compared to 2014		As compared to 2013	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Salaries, allow & benefits	32,637	28,767	31,476	3,870	13	1,161	4
Rent, rates & taxes	3,192	3,067	3,506	125	4	(314)	(9)
Communication charges	1,874	1,908	1,987	(34)	(2)	(113)	(6)
Travelling & conveyance	1,044	540	1,006	504	93	38	4
Printing & stationery	616	1,471	927	(855)	(58)	(311)	(34)
Entertainment	1,102	1,051	1,273	51	5	(171)	(13)
Vehicle running expenses	4,907	7,570	7,299	(2,663)	(35)	(2,392)	(33)
Repairs & maintenance	1,612	1,230	1,492	382	31	120	8
Insurance	1,401	1,943	1,692	(542)	(28)	(291)	(17)
Fees and subscription	3,720	3,480	2,832	240	7	888	31
Legal & professional charges	2,994	6,419	5,398	(3,425)	(53)	(2,404)	(45)
Auditors' remuneration	854	839	759	15	2	95	13
Charity & donation	675	501	451	174	35	224	50
Newspaper & periodicals	43	42	44	1	2	(1)	(2)
Utilities	1,937	2,590	2,267	(653)	(25)	(330)	(15)
Depreciation	4,688	5,338	5,753	(650)	(12)	(1,065)	(19)
Security expenses	953	920	545	33	4	408	75
Miscellaneous	1,422	2,756	1,346	(1,334)	(48)	76	6
	<u>65,671</u>	<u>70,432</u>	<u>70,053</u>	<u>(4,761)</u>	<u>(7)</u>	<u>(4,382)</u>	<u>(6)</u>

– Overall there was no significant variance in administration overheads as compared to last year except increase in salaries & allowances, travelling & conveyance and repair & maintenance as compared to last year.

(iii) Selling Overheads				% Increase / (Decrease)			
	2015	2014	2013	As compared to 2014		As compared to 2013	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Sugar bags handling exp	7,162	8,697	7,973	(1,535)	(18)	(811)	(10)
Export transportation & others	384	26,599	246	(26,215)	(99)	138	56
Marking fees	3,257	2,781	2,778	476	17	479	17
	10,803	38,077	10,997	(27,274)	(72)	(194)	(2)

- There was decrease in selling overheads mainly on account of export transportation expenses as compared to last year.

(iv) Financial Expenses				% Increase / (Decrease)			
	2015	2014	2013	As compared to 2014		As compared to 2013	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Mark-up on:							
Long term financing	2,396	7,954	28,414	(5,558)	(70)	(26,018)	(92)
Short term borrowings	58,240	112,915	105,071	(54,675)	(48)	(46,831)	(45)
Interest on WPPF fund	2,989	6	-	2,983	49,717	2,989	100
Bank charges & guarantee	2,269	4,836	5,355	(2,567)	(53)	(3,086)	(58)
	65,894	125,711	138,840	(59,817)	(48)	(72,946)	(53)

- There was decrease in financial overheads mainly on account of decrease in markup on long term finances and bank charges & guarantee as compared to last two years.

**(b) Brief explanation for variance**

- Comments on variances have already been given under the respective heads of account as shown above.

**(c) Basis of allocation of overheads**

- The overheads are charged to cost of production.

(d) Cost of Packing (Empty polypropylene bags)				Increase / (Decrease)			
	2015	2014	2013	As compared to 2014		As compared to 2013	
					%		%
Sugar (Tonne)	60,534	63,650	52,727	(3,116)	(5)	7,807	15
Packing material cost (Rs. in '000)	31,146	34,321	27,839	(3,175)	(9)	3,307	12
Per tonne cost (Rs. in '000)	515	539	528	(25)	(5)	(13)	(3)

- Per tonne cost of packing material decreased due to market price trend.

**9. ROYALTY / TECHNICAL AID PAYMENTS**

- NOT APPLICABLE

**10. ABNORMAL NON-RECURRING FEATURES**

**(a) Features affecting production**

- None except insufficient availability of sugar cane during the crushing season.

**(b) Special expenses**

= N O N E =

### 11. COST OF PRODUCTION / SALES (Segment Wise)

Sugar (Note 11.1)		Ethanol (Note 11.2)		Total	
2015	2014	2015	2014	2015	2014

-----Rs. in '000-----						
Cost of Production	2,500,042	2,783,083	2,149,958	2,358,763	4,650,000	5,141,846
Inventory adjustment (Finished goods):						
– Opening	815,234	526,717	273,201	159,645	1,088,435	686,362
– Closing	(603,164)	(815,234)	(92,777)	(273,201)	(695,941)	(1,088,435)
	212,070	(288,517)	180,424	(113,556)	392,494	(402,073)
Cost of sales	2,712,112	2,494,566	2,330,382	2,245,207	5,042,494	4,739,773

#### 11.1 Sugar Cost of Production Per Ton Production (Tonne)

2015	2014
60,534	63,650

2015		2014		Increase / (Decrease)		
Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%	
Cost of Production - White Sugar (See Annexure-1 at item 20)	2,500,042	41,300	2,783,083	43,725	(2,425)	(6)

- There was decrease in per tonne cost of production mainly on account of decrease in cane price as compared to last year.

#### 11.2 Ethanol

	2015 Rs. in '000	2014 Rs. in '000
Cost of raw material consumed	1,911,181	2,173,249
Stores and spare parts consumed	65,989	56,892
Packing materials	-	94
Salaries, wages and other benefits	39,244	33,656
Fuel, electricity and water charges	98,961	60,675
Repairs and maintenance	4,560	6,931
Other manufacturing expenses	22,294	22,601
Depreciation	36,409	34,370
	<u>2,178,638</u>	<u>2,388,468</u>
Work in process		
– Opening	-	-
– Closing	-	-
	<u>-</u>	<u>-</u>
	<u>2,178,638</u>	<u>2,388,468</u>
Less:		
– Sale of fuel oil, CO2 gas and electricity income - net	(28,680)	(29,705)
	<u>2,149,958</u>	<u>2,358,763</u>

**12. SALES**  
**(Segment Wise)**

**(a) Net Sales Realization**

	Sugar		Ethanol		Total	
	2015	2014	2015	2014	2015	2014
-----Rs. in '000-----						
Local	3,197,454	2,286,672	153,280	180,206	3,350,734	2,466,878
Export	59,543	494,806	2,712,234	2,719,041	2,771,777	3,213,847
	3,256,997	2,781,478	2,865,514	2,899,247	6,122,511	5,680,725
Less:						
Sales tax	-	(37)	(18,365)	(23,022)	(18,365)	(23,059)
Special excise duty	-	-	-	-	-	-
Federal excise duty	(236,848)	(136,926)	-	-	(236,848)	(136,926)
	(236,848)	(136,963)	(18,365)	(23,022)	(255,213)	(159,985)
Net sales realization	3,020,149	2,644,515	2,847,149	2,876,225	5,867,298	5,520,740

**(b) Sugar Sales Per Tonne**

		2015			2014		
		Local	Export	Total	Local	Export	Total
Sugar	(Qty in tonne)	63,353	1,300	64,653	46,349	10,252	56,601
Sales value	(Rs. in '000)	3,197,454	59,543	3,256,997	2,286,672	494,806	2,781,478
Less: Sales tax & excise duty	(Rs. in '000)	(236,848)	-	(236,848)	(136,963)	-	(136,963)
Net Sales Realization	(Rs. in '000)	2,960,606	59,543	3,020,149	2,149,709	494,806	2,644,515
Sugar sales per tonne	(Rs. in '000)	46,732	45,802	46,713	46,381	48,264	46,722

(c) The export sales was made to Afghanistan during the year under review.

## 13. PROFITABILITY / (LOSS)

Segment / Division wise	Note	2015 Rs. in '000	2014 Rs. in '000
– Sugar	13.1	227,752	(2,404)
– Ethanol	13.2	308,813	370,074
– Net profit from storage tank terminal	13.3	86,989	59,852
– Net loss from chemical, alloys and Power segment & fixed expenses due suspension	13.4	(58,344)	(39,403)
– Advance tax written off		(11,611)	
<b>Total Profit before taxation</b>		<b>553,599</b>	<b>388,119</b>

## 13.1 Sugar

	Note	2015		2014	
		Qty in Ton	Rs. in '000	Qty in Ton	Rs. in '000
– Local	13.1.1	63,353	224,523	46,349	1,922
– Export	13.1.2	1,300	3,229	10,252	(4,326)
<b>Total</b>		<b>64,653</b>	<b>227,752</b>	<b>56,601</b>	<b>(2,404)</b>

- The company earned profit before tax of Rs. 227.752 million as against loss of Rs. 2.404 million in the last year.

## 13.1.1 LOCAL

Sales of sugar (Tonne)

	2015		2014		Increase / (Decrease)	
	Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%
Net sales	2,960,606	46,732	2,149,709	46,381	351	1
Less: Cost of sales	(2,657,579)	(41,949)	(2,042,731)	(44,073)	2,124	(5)
Gross profit / (loss)	303,027	4,783	106,978	2,308	2,475	52
Less:						
Selling expenses	(10,419)	(164)	(11,478)	(248)	83	(34)
Admin. Expenses	(64,351)	(1,016)	(57,675)	(1,244)	229	(18)
Financial charges	(64,569)	(1,019)	(102,941)	(2,221)	1,202	(54)
Other charges	(17,772)	(281)	(2,077)	(45)	(236)	526
Other income	78,607	1,241	69,116	1,491	(250)	17
	(78,504)	(1,239)	(105,055)	(2,267)	1,027	(45)
Profit / (loss) before tax	224,523	3,544	1,922	41	3,503	8,446

**13.1.2 EXPORT**

Sales of sugar (Tonne)

	2015		2014			
	<b>1,300</b>		<b>10,252</b>			
	2015		2014		Increase / (Decrease)	
	Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%
Net sales	59,543	45,802	494,806	48,264	(2,462)	(5)
Less: Cost of sales	(54,533)	(41,949)	(451,835)	(44,073)	2,124	(5)
Gross profit / (loss)	5,010	3,854	42,971	4,192	(338)	(8)
Less:						
Selling expenses	(384)	(295)	(26,599)	(2,595)	2,299	(89)
Admin. Expenses	(1,320)	(1,016)	(12,757)	(1,244)	229	(18)
Financial charges	(1,325)	(1,019)	(22,770)	(2,221)	1,202	(54)
Other charges	(365)	(281)	(460)	(45)	(236)	526
Other income	1,613	1,241	15,288	1,491	(250)	(17)
	(1,781)	(1,370)	(47,298)	(4,613)	3,243	(70)
Profit / (loss) before tax	3,229	2,483	(4,326)	(422)	2,905	(689)

**13.2 Ethanol**

	2015	2014
	Rs. in '000	Rs. in '000
Gross sales	2,847,149	2,876,225
Less: Cost of sales	(2,330,382)	(2,245,207)
Gross profit	516,767	631,018
Less:		
Distribution cost	(103,447)	(106,599)
Administrative expenses	(43,303)	(46,589)
Other operating expenses	(49,452)	(29,322)
Finance cost	(59,189)	(121,462)
Other income	47,437	43,028
	(207,954)	(260,944)
<b>Profit / (loss) before tax</b>	<b>308,813</b>	<b>370,074</b>

**13.3 Net Profit from Storage Tank Terminal**

Storage service income	120,289	94,146
Inter-segment services	17,100	17,100
	137,389	111,246
Less: Direct expenses	50,400	51,394
<b>Profit / (loss) before tax</b>	<b>86,989</b>	<b>59,852</b>

**13.4 Net Loss from Chemical, Alloys and Power Segment and Fixed Expenses due to suspension**

Plant lease income	-	4,800
Scrap sales	-	85
	-	4,885
Less: Fixed expenses due to suspension		
Chemical and alloys	34,226	23,842
Power	24,118	20,446
	58,344	44,288
<b>Profit / (loss) before tax</b>	<b>(58,344)</b>	<b>(39,403)</b>

#### **14. COST AUDITORS' OBSERVATIONS AND CONCLUSIONS**

**(a) Matters which appear to him to be clearly wrong in principle or apparently unjustifiable.**

= N O N E =

**(b) Cases where the company funds have been used in a negligent or inefficient manner.**

= N O N E =

**(c) Factors which could have been controlled but have not been done resulting in increase in the cost of production.**

- Availability of sugar cane remains the limiting factor in production which is beyond the control of management.

**(d) (i) The Adequacy or otherwise of Budgetary Control System, if any, in vogue in the company.**

- The Company prepares annual budget for planning purpose.

**(ii) The scope and performance of Internal Audit, if any.**

- A full fledged internal audit department has been established by the company. The audit findings are reported to the top management and corrective measures are adopted wherever necessary.

**(e) Suggestions for improvements in performance.**

**(i) rectification of general imbalance in production facilities**

- The mill is running smoothly with the existing facilities.

**(ii) fuller utilisation of installed capacity**

- Fuller utilisation of installed capacity rests on availability of sufficient sugar cane.

**(iii) Comments on areas offering scope for**

**(a) Cost reduction**

- Cost reduction may be achieved by operating the plant at maximum capacity to achieve savings in overhead cost.

**(b) Increased productivity**

- Same observations as at para (ii) item 14(e) above.

**(c) Key limiting factors causing production bottle necks**

- Non-availability of sugar cane in sufficient quantity is limiting factors in the production.

**(d) Improved inventory policies**

- Present inventory policies are satisfactory.

**(e) Energy conservancy**

- Bagasse is the cheapest source of fuel, which is being used to the maximum extent.

*(iv) State of technology, whether modern or obsolete.*

- Modern technology having defecation, re-melt and phosphitation process.

*(v) Plant, whether new or second hand when installed.*

- The plant was new when installed in 1993.

**15. RECONCILIATIONS WITH FINANCIAL STATEMENTS**

After the auditor appointed under section 252 of Companies Ordinance, 1984, submits his report, the cost auditor shall submit a supplementary report on reconciliation with financial accounts, to the directors before the date fixed for holding the annual general meeting of the company.

- Cost accounts are in agreement with audited financial accounts of the company for the year ended Sept. 30, 2015. A statement showing cost of sales as per cost accounts duly reconciled with audited financial accounts is annexed herewith.

**16. COST STATEMENTS**

- Copies of all cost statements on the formats prescribed by Securities and Exchange Commission of Pakistan under clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984, duly authenticated by the Chief Executive and Financial Officer of the company, and verified by us are appended to the report.

**17. MISCELLANEOUS**

- Figures have been rounded off to nearest thousand. Previous year's figures have been re-arranged and regrouped where necessary to facilitate comparison.

**SIDDIQI & COMPANY**

*Cost & Management Accountants*

Engagement Partner: Mustafa Hussain Siddiqui, FCMA

Karachi :

**RECONCILIATION OF COST OF SALES**  
**between**  
**Cost Accounts & Financial Accounts**  
For the year ended September 30, 2015

<b>COST OF SALES</b>	<b>2015</b> <b>Rs. in '000</b>
Cost of sales sugar segment as per cost accounts (Annexure-I)	2,712,112
Add: Cost of sales Ethanol segment	2,330,382
Total Cost of sales as per audited financial accounts	<u>5,042,494</u>

Cost accounts are in agreement with audited financial accounts of the company for the year ended September 30, 2015.

# AL-ABBAS SUGAR MILLS LIMITED

**STATEMENT OF CAPACITY UTILIZATION**  
under Rule 4(1)(a) of Companies (Audit of Cost Accounts), Rule 1998  
As at September 30, 2015 as compared with September 30, 2014

## CANE CRUSHING CAPACITY

Season / Year	Licensed and Installed Capacity			Actual Capacity Utilization			Capacity Utilization
	Sugar Segment			Sugar Segment			
	No. of Days Season Operated	Tons Per Day	Crushing Tons	No. of Crushing Days	Tons Per Day	Crushing Tons	%
Year 2014-2015	106	7,500	795,000	92	6,136	564,555	71%
Year 2013-2014	124	7,500	930,000	111	5,601	621,679	67%

Source: Form RT-4

**REASONS FOR SHORTFALL:**

- The actual production is lower than installed capacity on account of short availability of sugar cane during the year.

**Chief Financial Officer**

**Chief Executive**

Karachi:

# AL-ABBAS SUGAR MILLS LIMITED

## STATEMENT OF STOCK IN TRADE under Rule 4(1)(b) of Companies (Audit of Cost Accounts), Rule 1998 As at September 30, 2015 as compared with September 30, 2014

	2014-2015		2013-2014	
	Qty. in Tonne	Rs. in `000	Qty. in Tonne	Rs. in `000
	Sugar Segment		Sugar Segment	
<b>1. Work in Process</b>				
– Sugar-in-process	83	3,312	83	3,485
<b>2. Finished Goods</b>				
– White Sugar	14,379	603,164	18,498	815,234
<b>3. GRAND TOTAL ( 1 + 2 )</b>		606,476		818,719

### Notes:-

1. In terms of clause 3(2) of Companies (Audit of Cost Accounts) Rules, 1998 (SRO: 846/(1)/98) dt. July 24, 1998, the Cost Auditors were appointed by the directors with the prior approval of Securities & Exchange Commission of Pakistan within sixty days of the close of financial year of the company.
2. In view of the above mentioned constrains appointing the Cost Auditors after the close of the financial year; the cost auditors were not present on the date of physical stock taking as of the close of the financial year. Under these circumstances, the physical stock taking carried out and as shown in the financial accounts were relied upon for the purpose of the above mentioned statement of stock in trade [under clause (4)(1)(b) of Companies (Audit of Cost Accounts) Rules, 1998].

Chief Financial Officer

Chief Executive

Karachi:

# **Section - 3**

## ***Cost Accounting Records***

1. Production Data	<b><i>Schedule</i></b> 1
	<b><i>Annexures</i></b>
2. Cost of Production and Sale of White Bagged Sugar	I
3. Sugar Cane Produced	II
4. Cost of Sugar Cane Crushed	III
5. Cost of Beet Consumed	IV
6. Cost of Process Material Consumed	V
7. Cost of Salaries, Wages & Benefits	VI
8. Cost of Steam / Generated Consumed	VII
9. Cost of Electric Power Purchased / Generated and Consumed	VIII
10. Other Factory Overheads	IX
11. Administrative Expenses	X
12. Selling Expenses	XI

# AL-ABBAS SUGAR MILLS LIMITED

## Production Data

For the year ended September 30, 2015

### Schedule - I

S.#	Particulars	2014-2015	2013-2014
1.	<b>(a) Cane Crushed:</b>		
	Date Started	08-12-2014	01-11-2013
	Date Finished	23-03-2015	04-03-2014
	Duration of run days	106	124
	Total No. of days of actual crushing	92	111
	Total No. of hours of actual crushing	2,210	2,663
	Total No. of hours lost	304	564
	Total cane milled (Tonne)	564,555	621,679
	Converted Maunds	14,113,875	15,541,964
	Total mixed juice obtained (Tonne)	660,714	718,434
	<b>(b) Gur Melted:</b>	–	–
2.	<b>Juice &amp; Added Water:</b>		
	Average mixed juice % cane	117.033	115.564
	Average water added % cane	48.572	47.238
3.	<b>Sugar Made:</b>		
	Total Sugar bagged of all grade (100) kg.	–	–
	Total Sugar bagged of all grade (50) kg.	1,210,680	1,273,000
	Sugar bagged (M. Tons)	60,534	63,650
	Sugar in Process (M. Tons)	83.104	83.232
4.	<b>Molasses Extracted:</b>		
	Total molasses sent out (M. Tons)	25,574	28,660
	Molasses in Process (M. Tons)	3.225	3.659
5.	<b>Recovery Percent:</b>		
	Average recovery of marketable white sugar % cane	10.722	10.230
	Average production of final molasses % cane	4.530	4.610
6.	<b>By Products:</b>		
	Bagasse % cane	31.539	31.674
	V. Filter Cake % cane	3.000	3.000
7.	<b>Clarification Process : (Specify)</b>		
	– Defecation, Melt, Phosphitation		

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Cost of Production and Sale of White Bagged Sugar

For the year ended September 30, 2015

### ANNEXURE - I

Quantitative Data - Bagged Sugar		2014-2015	2013-2014
Opening Stock	(Tonne)	18,498	11,449
Production	(Tonne)	60,534	63,650
Total Qty. available for sale	(Tonne)	79,032	75,099
Closing Stock	(Tonne)	14,379	18,498
Sales	(Tonne)	64,653	56,601

S. No.	Particulars	2014-2015		2013-2014	
		Amount (Rs. in '000)	Cost per Ton	Amount (Rs. in '000)	Cost per Ton
<b>1.</b>	<b>Raw Materials:</b>				
	(a) Sugar Cane (Annexure - III)	2,454,804	40,552	2,787,166	43,789
	(b) Beet (Annexure - IV)	-	-	-	-
	(c) Gur	-	-	-	-
	(d) Raw Sugar	-	-	-	-
	(e) Process Material (Annexure - V)	22,427	370	23,696	372
2.	Salaries / wages benefits (Annexure - VI)	131,654	2,175	119,968	1,885
3.	Consumable Stores	50,714	838	40,899	643
4.	Repairs & Maintenance	2,023	33	6,945	109
5.	Utilities: Steam (Annexure - VII)	25,941	429	24,712	388
6.	Electric Power (Annexure - VIII)	38,865	642	32,026	503
7.	Water & Gas	-	-	976	15
8.	Insurance	-	-	-	-
9.	Depreciation	21,964	363	23,395	368
10.	Other Factory Overheads (Annexure - IX)	31,276	517	32,810	515
<b>11.</b>	<b>Total Cost</b>	<b>2,779,668</b>	<b>45,919</b>	<b>3,092,593</b>	<b>48,587</b>
12.	Add : Opening Stock of W.I.P.	3,485	-	5,823	-
13.	Less : Closing Stock of W.I.P.	(3,312)	-	(3,485)	-
14.	Total Cost of Goods Manufactured	2,779,841	45,922	3,094,931	48,624
15.	Less : Realisable Value of By-Products:				
	– Transfer price of Molasses	(193,338)	(3,194)	(254,585)	(4,000)
	– Sale of Molasses - net	-	-	(4)	(0)
	– Transfer price of Bagasse (Consumed) Annex-VII	(98,764)	(1,632)	(60,674)	(953)
	– Stock adjustment of Bagasse in hand - net	10,063	166	(7,441)	(117)
	– Sale of Bagasse - net	(28,906)	(478)	(23,465)	(369)
16.	Net cost of Goods Manufactured	2,468,896	40,785	2,748,762	43,186
17.	Add : Packing Material & Handling	31,146	515	34,321	539
18.	Net Cost of Bagged Sugar	2,500,042	41,300	2,783,083	43,725
19.	Add : Excise Duty / Sales Tax	-	-	-	-
20.	Total Cost of Bagged Sugar	2,500,042	41,300	2,783,083	43,725
21.	Add : Opening Stock of Sugar	815,234	-	526,717	-
22.	Less : Closing Stock of Sugar	(603,164)	-	(815,234)	-
<b>23.</b>	<b>Cost of Sales</b>	<b>2,712,112</b>	<b>41,949</b>	<b>2,494,566</b>	<b>44,073</b>
24.	Administrative Expenses (Annexure - X)	65,671	1,016	70,432	1,244
25.	Selling & Distribution Expenses (Annexure - XI)	10,803	167	38,077	673
26.	Financial Expenses	65,894	1,019	125,711	2,221
27.	Other Charges / (Income)	(62,083)	(960)	(81,820)	(1,446)
	<b>TOTAL COST OF MAKE &amp; SALE</b>	<b>2,792,397</b>	<b>43,191</b>	<b>2,646,966</b>	<b>46,765</b>

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Cost of Sugar Cane Produced

For the year ended September 30, 2015

ANNEXURE - II

S. No.	Particulars	2014-2015		2013-2014	
		Quantity	Amount (Rs. in '000)	Quantity	Amount (Rs. in '000)
1.	<b>Seeds and Other Inputs</b>				
	Seed				
	Fertilizers, herbicides etc.				
	Insecticides				
	Abiana / Water Charges				
	Total Cost of Inputs				
2.	<b>Labour Cost</b>				
	Land preparation				
	Plantation				
	Maintenance of cane crop / ratoons				
	Operation of tractors				
	Harvesting				
	Total Labour Cost				
2.	<b>Other Cost</b>				
	Fuel for tractors operation				
	Maintenance and over haul of tractors				
	Insurance				
	Interest expenses				
	Depreciation of equipments				
	Rent of agriculture equipments (if any)				
	Total other costs				
	Total Cost of own production (1 + 2 + 3)				
	Sales value at controlled price				
	Profit / Loss on own production				

NOT APPLICABLE

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Cost of Sugar Cane Crushed

For the year ended September 30, 2015

ANNEXURE - III

S. No.	Particulars	2014-2015			2013-2014		
		Qty. Tonne	Cost per Tonne	Amount (Rs. in '000)	Qty. Tonne	Cost per Tonne	Amount (Rs. in '000)
1.	<b>Total Sugar Cane purchased at Govt. Rate</b> Sugar Cane produced from own farm (Annexure - II) Less : Loss in Transit Sugar Cane received at Factory Gate	564,555	4,250	2,399,360	621,679	4,300	2,673,218
2.	Additional cane price to growers	564,555	0	61	621,679	54	33,432
3.	Quality Premium	-	-	-	621,679	-	-
4.	Loading / Unloading charges	564,555	2	1,214	621,679	2	1,353
5.	Cane Development Expenses:						
	a) Salaries & Wages of Supply & Development Staff	564,555	0	11	621,679	0	4
	b) Sugar Cane Development Research	564,555	4	2,310	621,679	3	2,104
	c) Sugar Cane Subsidy						
	d) Other expenditure						
6.	Taxes & Levies:						
	a) Cane Cess / Purchase Tax / L.C. Charges						
	b) Market Committee Fee	564,555	10	5,646	621,679	10	6,217
	c) Road Cess	564,555	4	1,995	621,679	6	3,886
	d) Octroi and Freight handling						
	e) Others						
7.	Transportation Charges:						
	a) Delivery expenses						
	b) Transport cost	564,555	18	10,200	621,679	59	36,706
	c) Others						
8.	Other Expenditure at Cane Collection Centers:						
	a) Salaries and Wages (Annexure - VI)	564,555	56	31,508	621,679	46	28,586
	b) Stores						
	c) Repairs & Maintenance	564,555	0	244	621,679	0	15
	d) Other factory overheads (Annexure - IX)	564,555	2	977	621,679	1	390
	e) Sector Office expenses	564,555	2	1,278	621,679	2	1,255
9.	Total Cost of 'SUGAR CANE' transferred to production processe (Annexure - I)	564,555	4,348	2,454,804	621,679	4,483	2,787,166

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Cost of Beet Consumed

For the year ended September 30, 2015

ANNEXURE - IV

S. No.	Particulars	2014-2015			2013-2014		
		Qty. Tonne	Cost per Tonne	Amount (Rs. in '000)	Qty. Tonne	Cost per Tonne	Amount (Rs. in '000)
1.	Total beet purchased at Govt. fixed rate Less : Loss in transit Beet received at factory gate						
2.	Commission paid						
3.	Loading / Unloading						
4.	Beet development expenses a) Salaries & Wages of Supply & Development Staff b) Sugar Development Research c) Supply Staff & transportation expenses d) Other expenditure						
5.	Taxes & Levies (if any): a) Purchase Tax b) Market Committee Fee c) Road Cess d) Octroi and Freight handling e) Other levies						
7.	Transportation Charges: a) Delivery expenses / travelling from purchases centre to mill gate b) Transport subsidy c) Others						
8.	Other Expenditure at Beet Collection Centers: a) Salaries and Wages b) Stores c) Repairs & Maintenance d) Others						
9.	Total Cost of 'BEET' transferred to production processe (Annexure - I)						

NOT APPLICABLE

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Cost of Process Material Consumed

For the year ended September 30, 2015

ANNEXURE - V

S. No.	Particulars	2014-2015		2013-2014	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
	<b>Total Sugar Produced (Tonne)</b>	60,534		63,650	
	<b>1. Chemicals, Lubricants &amp; Process:</b>				
1.	Unslaked Lime	3,594	59	4,567	72
2.	Phosporic Acid	2,132	35	2,732	43
3.	Chemquest	996	16	1,200	19
4.	Talofloc Wax	7,103	117	7,756	122
5.	Polyelectrolyt Accofloc	656	11	625	10
6.	Talo Float	170	3	197	3
7.	Caustic Soda	1,284	21	1,345	21
8.	Soda Ash	1	0	17	0
9.	Lead sub Accatate	40	1	116	2
10.	Tri Sodium Phosphate	5	0	-	-
11.	Chemrite	60	1	30	0
12.	Bleaching Powder	444	7	357	6
13.	Formaline	20	0	8	0
14.	Rock Salt	247	4	259	4
15.	Softno Treat	140	2	192	3
16.	Sewing Thread	418	7	504	8
17.	Cleaning Brushes	120	2	163	3
18.	Others	6,756	112	5,258	83
	<b>TOTAL</b>	<b>24,186</b>	<b>400</b>	<b>25,326</b>	<b>398</b>

## 2. ALLOCATED TO:

	2015 Rupees	2014 Rupees
(a) Electric Generation (Annexure - VIII)	1,021	946
(b) Steam Generation (Annexure - VII)	738	684
(c) Production Process (Annexure - I)	22,427	23,696
<b>TOTAL</b>	<b>24,186</b>	<b>25,326</b>

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Cost of Salaries, Wages & Benefits

For the year ended September 30, 2015

### ANNEXURE - VI

S. No.	Particulars	2014-2015		2013-2014	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
	<b>Total Sugar Produced (Tonne)</b>	60,534		63,650	
	<b>COST</b>				
	<b>1. Salaries / Wages:</b>				
(i)	Officers and permanent staff	119,075	1,967	111,294	1,749
(ii)	Seasonal staff	3,116	51	3,877	61
(iii)	Daily rated and contract labour	65,975	1,090	52,617	827
(iv)	Bonuses	22,025	364	22,023	346
	<b>2. Benefits</b>				
(i)	Medical expenses	115	2	222	3
(ii)	Canteen expenses	365	6	386	6
(iii)	Welfare, Recreation	4	0	-	-
(iv)	Transport and travelling	-	-	-	-
(v)	Education Cess / expenses	29	0	209	3
(vi)	Group Insurance / Workmen	-	-	-	-
(vii)	Provident Fund	-	-	-	-
(viii)	Gratuity / Pension / Retirement benefits	4,718	78	3,681	58
(ix)	Others	9,634	159	8,579	135
(x)	<b>TOTAL</b>	<b>225,056</b>	<b>3,718</b>	<b>202,888</b>	<b>3,188</b>

**Allocated to:**

(a)	Electricity Generation (Annexure - VIII)
(b)	Steam Generation (Annexure - VII)
(c)	Raw material - cane (Annexure - III)
(d)	Production process - (Annexure-I)
(e)	Administration expenses - (Annexure - X)
(f)	Selling & distribution expenses - (Annexure - XI)
(g)	Any other, if any
	<b>TOTAL</b>

2015 Rupees	2014 Rupees
20,255	18,113
9,002	7,454
31,508	28,586
131,654	119,968
32,637	28,767
-	-
-	-
225,056	202,888

**Chief Financial Officer**

**Chief Executive**

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Cost of Steam Generated / Consumed

For the year ended September 30, 2015

ANNEXURE - VII

S. No.	Particulars	Unit	2014-2015		2013-2014	
	Type of Steam Boiler used		Water Tube Boiler			
	Boiler No. 1 & 2 & 3 = (60 + 60 + 45 = 165)	Tonne / Hour	165		165	
1.	No. of days worked	Days	106		124	
2.	Installed capacity	Tonne	651,600		675,000	
3.	Utilised capacity	Tonne	474,144		431,904	
4.	Production :					
	a) High Pressure Steam					
	b) Medium Pressure Steam	Tonne	474,144		431,904	
	c) Low Pressure Steam					
	d) Less : transit losses	Tonne	(14,224)		(12,957)	
	e) Total	Tonne	459,920		418,947	
5.	Percentage of Capacity Utilization ( 3 / 2 x 100 )		73%		64%	

  

S. No.	Particulars	2014-2015			2013-2014		
		Quantity in Tonne	Cost per Tonne	Amount (Rs. in '000)	Quantity in Tonne	Cost per Tonne	Amount (Rs. in '000)
1.	Water Charges						
2.	Fuels:						
	(a) Bagasse:						
	(i) Own - Realizable value	459,920	214.74	98,764	418,947	144.83	60,674
	(ii) Purchased	-	-	-	-	-	-
	(b) Pith						
	(c) Coal purchased						
	(e) Furnace Oil	459,920	2.52	1,161	418,947	2.34	980
	(e) Fire wood	459,920	1.03	473	418,947	0.05	21
	(f) Gas						
	(g) Other fuels, if any						
3.	Quantity of waste heat from the plant, if any						
4.	Consumable Stores						
	- Process Material (Annexure - V)	459,920	1.60	738	418,947	1.63	684
5.	Direct Salaries, Wages & Benefits						
	(As per Annexure - VI)	459,920	19.57	9,002	418,947	17.79	7,454
6.	Repairs & maintenance	459,920	9.20	4,232	418,947	3.78	1,584
7.	Other direct expenses						
	- Factory Overheads (Annexure - IX)	459,920	0.71	326	418,947	0.77	324
8.	Baggage handling charges	459,920	11.36	5,223	418,947	11.13	4,663
9.	Depreciation	459,920	33.98	15,629	418,947	39.74	16,647
	Total Cost of Steam Raised	459,920	294.72	135,548	418,947	222.06	93,031
10.	Less : Out side sold						
	Total Cost of Steam for Self Consumption	459,920	294.72	135,548	418,947	222.06	93,031
	Add : Cost of Steam Purchased						
11.	Total Cost of Steam Consumed	459,920	294.72	135,548	418,947	222.06	93,031
	Less: Realizeable value of bagasse (Annex - I)			(98,764)			(60,674)
		459,920	79.98	36,784	418,947	77.23	32,357
12.	<b>ALLOCATION</b>						
	Total of item 12 allocated to:						
	(i) White bagged sugar (Annex - I)	326,543		25,941	318,400		24,712
	(ii) Electric power house (Annex - VIII)	133,377		10,843	100,547		7,645
	(iii) Others: (a) Staff Colony						
	(b) Office building etc.						
	<b>TOTAL</b>	459,920	79.98	36,784	418,947	77.23	32,357

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Cost of Electric Power Purchased / Generated & Consumed

For the year ended September 30, 2015

ANNEXURE - VIII

S. No.	Particulars	2014-2015	2013-2014
1.	Installed capacity (KWH)	7,500	7,500
	No. of units as per installed capacity (kwh)	29,244,000	30,348,000
2.	No. of units generated from steam (KWH)	21,726,898	17,726,000
3.	No. of units generated from diesel (KWH)	39,332	-
4.	No. of units purchased (KWH)	20,726	14,682
5.	<b>Total (2 + 3 + 4)</b>	<b>21,785,956</b>	<b>17,740,682</b>
6.	Consumption in power house including other losses	381,272	310,462
7.	Net units consumed (5 – 6)	21,405,684	17,430,220
8.	Percentage of Consumption and losses to total units available = $\frac{6}{5} \times 100$	1.75%	1.75%
9.	Percentage of power generated to installed capacity	74%	58%

S. No.	Particulars	2014-2015			2013-2014		
		Qty. in KWH	Rate Per Unit	Amount (Rs. in '000)	Qty. in KWH	Rate Per Unit	Amount (Rs. in '000)
1.	Steam (Annexure - VII)	21,384,958	0.51	10,843	17,430,220	0.44	7,645
2.	Consumable Stores						
	- Process Material (Annexure - V)	21,384,958	0.05	1,021	17,430,220	0.05	946
3.	Direct Salaries, Wages & Benefits (As per Annexure - VI)	21,384,958	0.95	20,255	17,430,220	1.04	18,113
4.	Other Direct expenses - Diesel	21,384,958	0.05	1,008	-	-	-
5.	Repairs & Maintenance	21,384,958	0.02	495	17,430,220	0.02	373
6.	Other expenses						
7.	Depreciation	21,384,958	0.22	4,646	17,430,220	0.28	4,949
	<b>Total</b>	<b>21,384,958</b>	<b>1.79</b>	<b>38,268</b>	<b>17,430,220</b>	<b>1.84</b>	<b>32,026</b>
8.	Less :						
	(a) Credit for Exhaust Steam used in process etc.						
	(b) Other credits, if any						
9.	Cost of Power Generated	21,384,958	1.79	38,268	17,430,220	1.84	32,026
10.	Less : Cost of Power Sold						
11.	Add : Cost of Power purchased	20,726	28.80	597			
12.	<b>Total Net Cost of power consumed</b>	<b>21,405,684</b>	<b>1.82</b>	<b>38,865</b>	<b>17,430,220</b>	<b>1.84</b>	<b>32,026</b>
13.	Cost per unit average						
	<b>ALLOCATION</b>						
	Total at item 12 allocated to:						
	(i) White bagged sugar (Annexure - I)	21,405,684	1.82	38,865	17,430,220	1.84	32,026
	(ii) Self consumption						
	(iii) Others						
	(a) Staff colony / Office building						
	(b) Other (specify)						
14.	<b>TOTAL (i + ii + iii)</b>	<b>21,405,684</b>	<b>1.82</b>	<b>38,865</b>	<b>17,430,220</b>	<b>1.84</b>	<b>32,026</b>

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Other Factory Overheads

For the year ended September 30, 2015

ANNEXURE - IX

S. No.	Particulars	2014-2015		2013-2014	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	<b>Total Sugar Produced (Tonne)</b>	60,534		63,650	
2.	<b>COST:</b>				
1.	Rent, rates & taxes	-	-	-	-
2.	Printing & stationery	177	3	119	2
3.	Communication charges	658	11	477	7
4.	Insurance expenses	9,919	164	8,986	141
5.	Travelling & conveyance	624	10	3,228	51
6.	Fees and Subscriptions	452	7	430	7
7.	Entertainment	4,121	68	4,274	67
8.	Vehicle running expenses	5,908	98	5,308	83
9.	Security charges	9,127	151	9,163	144
10.	Newspaper and periodicals	55	1	59	1
11.	Miscellaneous expenses	1,538	25	1,480	23
12.	<b>TOTAL</b>	<b>32,579</b>	<b>538</b>	<b>33,524</b>	<b>527</b>
<b>ALLOCATED TO :</b>					
	(i) White bagged sugar (Annexure - I)	31,276	517	32,810	515
	(ii) Raw material - cane (Annexure - III)	977	16	390	6
	(iii) Steam generation (Annexure - VII)	326	5	324	5
	(iv) Others:				
	(a) Staff colony	-	-	-	-
	(b) Office building etc.	-	-	-	-
	Total as per Item 12 above	32,579	538	33,524	527

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Administration Expenses

For the year ended September 30, 2015

ANNEXURE - X

S. No.	Particulars	2014-2015		2013-2014	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	<b>Total Sugar Sold (Tonne)</b>	64,653		56,601	
2.	<b>COST:</b>				
	(i) Salaries, allowances & benefits (Annexure - VI)	32,637	505	28,767	508
	(ii) Rent, rates & taxes	3,192	49	3,067	54
	(iii) Insurance	1,401	22	1,943	34
	(iv) Utilities	1,937	30	2,590	46
	(v) Printing & stationery	616	10	1,471	26
	(vi) Communication charges	1,874	29	1,908	34
	(vii) Repairs & maintenance	1,612	25	1,230	22
	(viii) Travelling & conveyance	1,044	16	540	10
	(ix) Fees and subscription	3,720	58	3,480	61
	(x) Entertainment	1,102	17	1,051	19
	(xi) Legal & professional charges	2,994	46	6,419	113
	(xii) Auditors' remuneration	854	13	839	15
	(xiii) Vehicle running expenses	4,907	76	7,570	134
	(xiv) Charity & donations	675	10	501	9
	(xv) Newspaper and periodicals	43	1	42	1
	(xvi) Security charges	953	15	920	16
	(xvii) Depreciation	4,688	73	5,338	94
	(xviii) Miscellaneous	1,422	22	2,756	49
	<b>TOTAL</b>	<b>65,671</b>	<b>1,016</b>	<b>70,432</b>	<b>1,244</b>

Chief Financial Officer

Chief Executive

# AL-ABBAS SUGAR MILLS LIMITED

## Statement Showing Selling Expenses

For the year ended September 30, 2015

ANNEXURE - XI

S. No.	Particulars	2014-2015		2013-2014	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	<b>Total Sugar Sold (Tonne)</b>	64,653		56,601	
2.	<b>COST:</b>				
	(i) Salaries, allowances & benefits (Annexure - VI)	-	-	-	-
	(ii) Sugar bags handling expenses	7,162	111	8,697	154
	(iii) Export transportation and others	384	6	26,599	470
	(iv) Marking fees	3,257	50	2,781	49
	(v) Other expenses	-	-	-	-
	<b>TOTAL</b>	<b>10,803</b>	<b>167</b>	<b>38,077</b>	<b>673</b>

Chief Financial Officer

Chief Executive